been made available by the hon. Minister to us. I would like to know, do we have, in the near future, enough vessels to be able meet our needs, assuming that you are in a position to operationalise waterways? Secondly, do we have enough dredging capacity to make these rivers capable of facilitating transport, in a manner that would, at least, link the Western States with the Southern States of India, if not the entire country?

SHRI VEDPRAKASH P. GOYAL: Sir, we have enough dredging capacity, both with the DCI and also the private small dredging operators. We have found that silting is continuing again and again. We are taking steps so that it does not hinder, and we are able to keep on dredging. So far as the construction of vessels is concerned, as I told earlier, we are giving 30 per cent subsidy. We are inviting new entrants to form joint ventures. The Government is also ready to become a partner. That will increase the number of vessels that is required for that cargo.

Strike against privatisation of NALCO

*191. SHRI JIBON ROY: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether in October, 2002, a State-wide strike was observed in Orissa by all Trade Unions and Political Parties including Biju Janta Dal protesting against privatisation of NALCO; and

(b) if so, whether Government would consider the demand of the people of Orissa?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) There are reports of some agitation in Orissa against disinvestment in NALCO.

(b) Disinvestment of all non-strategic PSUs, whether profit making or loss incurring, can be done to a level of 26% or lower, if necessary, as decided on a case by case basis. Disinvestment of Government shareholding in NALCO is being done in accordance with this policy. As per the established practice, no retrenchment of employees is permitted in the first year after disinvestment and even thereafter employee separations will be possible only after giving benefits to employees which are either as per the guidelines of the Department of Public Enterprises or as per the scheme prevailing in the PSU at the time of disinvestment, whichever is higher. In several disinvested PSUs, including some loss

making ones, wages and allowances have increased substantially after disinvestment. Provisions are also made in the Transaction Agreements, which guard against asset stripping and ensure the sustainable and efficient use of the companies assets. With future expansion and growth there is good potential for additional employment, especially in ancillary industries, and for growth in the tax revenues of the State Government Disinvestment of NALCO will therefore be beneficial for the State of Orissa and the national economy.

SHRI JIBON ROY: Mr. Chairman, Sir, the hon. Minister has stated in his reply that if NALCO is privatised, its techno-economic condition would improve. But the Report of the NALCO shows that, during the year 2001-02, the capacity utilisation was more than hundred per cent. So far as the economic aspect is concerned, the Report says, "Out of the company's profit of Rs. 1,153/- crores made during the last ten years, it has given Rs. 2,295/- crores as tax to the Central Government alone, and reinvested Rs. 3,099/- crores." So, already the capacity utilisation is more than hundred per cent. Now, I would like to know from the hon. Minister whether he has got any assurance from the buyer that he would be able to produce more than hundred per cent of the capacity, and that he would be able to make more profit than what NALCO has already achieved.

SHRI ARUN SHOURIE: Sir, NALCO is one of our very good companies. ..(*Interruptions*)... Sir, I am giving the information. ...(*Interruptions*)...

श्री दीपांकर मुखर्जी: सर, उत्तर के लिए भूमिका नहीं है। ...(व्यवधान)...

श्री सभापति: किसी को भूमिका नहीं बनानी है। ...(व्यवधान)...

SHRI ARUN SHOURIE: In that case, I will just mention ...(*Interruptions*)... He wanted to know whether the buyer would be able to produce more than hundred per cent of the capacity. Sir, 15 parties have qualified for the proceeding, with due diligence, and such assurances are not asked for. ...(*Interruptions*)... We have the fullest confidence that NALCO needs to be expanded. ...(*Interruptions*)... It needs to be expanded.

Secondly, it has one of the best plants in the world, with the best mines of bauxite, and, yet, it is concentrating only on selling alumina, than producing downstream products. It's profitability could be much higher if it goes into downstream production.

SHRI JIBON ROY: Sir, already it is producing beyond its capacity. What more can they produce after privatisation? Anyhow, the second part of my supplementary is this. Now, there is a national consensus that profit-making companies should not be disinvested. Almost all political parties and trade

unions have agreed on this. The Orissa Assembly passed a Resolution; there was also a massive strike against privatisation. Therefore, there is a national consensus on this. Despite that, the Ministry is saying that it will go for disinvestment of NALCO, How do you propose to reconcile that? I would like to know from the hon. Minister whether the Government would hold a referendum on this subject. I want to know from the hon. Minister whether the Government would consider the opinion of the people on this. Disinvestment means disposing of national assets. So, without taking the permission of the people, how can they ...(*Interruptions*)... How is the Government thinking of reconciling this position? ...(*Interruptions*)... The National consensus is against privatisation of profit-making companies; and you are saying that you will privatise! I want to know whether the Government would hold a referendum on this question. Is it willing to go by the decision of the people?

SHRI ARUN SHOURIE: Sir, there is no proposal to go in for a referendum. ...(*Interruptions*)... Sir, I dispute the concept of this national consensus. In fact, the Government of Punjab is, today, disinvesting a profit-making company, the Punjab Tractors. ...(*Interruptions*)...

SHRI DIPANKAR MUKHERJEE: Sir, the Minister of Mines herself had said that the Government should not go ahead with the privatisation of NALCO at this point of time. I would like to know from the hon.Minister whether he agrees with the contention of his cabinet colleague.

SHRI ARUN SHOURIE: Sir, if you direct me to disclose what transpires between the Ministers, I will do that. Sir, the objection of the Department of Mines relates to the process by which it is to be done There should be complete clarity on this. The Department of Mines has been participating in the entire process for two years. ...(*Interruptions*)... Just one second ...(*Interruptions*)...

MR. CHAIRMAN: Let him reply. ...(*Interruptions*)... Let him reply ...(*Interruptions*)...

SHRI DIPANKAR MUKHERJEE: Sir, the Minister of Mines has, on record, said that ...(*Interruptions*)... Sir, he is avoiding the issue. ...(*Interruptions*)... She said that NALCO should not be privatised. She also said that the Minister is working like an astrologer, by saying that NALCO will lose its profitability. In view of this fact, I would like to know from the hon. Member whether the Government, as an individual entity, would take a decision to defer the disinvestment of NALCO. If not, why?

SHRI ARUN SHOURIE: Sir, I go by the decision of the Cabinet Committee presided over by the Prime Minister. That decision stands till today. ... (*Interruptions*)...

MR. CHAIRMAN: No I won't allow ...(*Interruptions*)...

SHRI DIPANKAR MUKHERJEE: Sir, the hon, Prime Minister should come and clarify this. ....(*Interruptions*)....

MR. CHAIRMAN: There is no need for the hon. Prime Minister to come and clarify this. ...(*Interruptions*)... No; I am not allowing you. .....(*Interruptions*).... There is no need to clarify. ...(*Interruptions*)...

*192. *[The Questioner (Shri P.K. Maheshwari): was absent. For answer vide Page..44.]*

*193. *[The Questioner (Dr. Prabha Thakur): was absent. For answer vide page..44-45.]*

*194. *[The Questioner (Shri Vijay Darda): was absent. For answer vide page..45—50.]*

*195. *[The Questioners (Dr. T. Subbarami Reddy and Shri Nandi Yellaiah): were absent. For answer vide page 50.]*

Increase in FDI in telecom sector

*196. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government are considering a proposal for increasing the FDI in Telecom Sector from 49 per cent to 79 per cent; and

(b) if so, the details thereof ?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN SHOURIE): (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) and (b) As per sectoral policy on FDI in telecom Sector, caps applicable to foreign equity participation under different activities are as under:

1. In basic and cellular telephony, FDI is permitted up to 49%.
2. No equity cap is applicable to manufacturing activities.
3. In the following activities of the telecom sector, FDI up to 100% is allowed, subject to divestment of 26% equity in favour of Indian public within a period of 5 years, if listed elsewhere:
   a) ISPs not providing gateways (both for satellite and submarine cables);
   b) Infrastructure Providers providing dark fibre (IP Category I);
   c) Electronic Mail; and
   d) Voice Mail.